

COUNTY OF YORK

MEMORANDUM

DATE: June 25, 2003 (BOS Mtg. 7/15/03)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Request for Approval for Tax Refund

York County Code § 21-7.3 allows the Commissioner of the Revenue to approve requests for refund of taxes when the amount of the refund, together with any interest and penalty, does not exceed \$2,500, but requires approval by the Board of Supervisors for refunds in excess of that amount. Both the Commissioner of the Revenue and the Treasurer have recommended approval of a request for a tax refund from The Daily Press, Inc. in the amount of \$3,289.42 for intangible personal property which is exempt from local taxation.

For your information, the Daily Press recently prevailed in a lawsuit brought in the City of Newport News, challenging the taxability of certain of its property as "machinery and tools used in manufacturing." Instead, on appeal to the Virginia Supreme Court, it was determined that certain of the newspaper's equipment was properly classified as "capital" which is not taxed by a locality, but by the Commonwealth. The property in question consisted mostly of office equipment used in the news-gathering process and not used directly in printing the actual newspaper. In light of the fact that the Daily Press' property in York County consists of the same kind of property that the Supreme Court decided is not subject to local taxation, the refund request appears to be proper.

Resolution R03-115 authorizes the refund of the taxes as requested. I recommend its adoption.

Barnett/3440:swb

Attachments

- Request for Tax Refund
- R03-115